From:	Udi Knaani <Udi@fwmk-law.co.il>
To:	ehbarak <ehbarak1@gmail.com>
CC:	
Date:	Wed, 3/25/2015 9:04:51 PM
Subject:	Fwd: FST21 -

לידיעתך

נשלח מה-iPhone שלי

תחילת ההודעה שהועברה:

מאת: Beat Ehrensberger <beat@gmfcapital.com>
תאריך: 25 במרץ 2015 בשעה 18:20:03 GMT+2
אל: Udi Knaani <Udi@fwmk-law.co.il>
נושא: בעניין: FST21 -

Dear Udi,

I've been informed by Gary accordingly. I'll let the company know once we get there (we have to sort out a few issues first to get to a closing hopefully soon).

Best,
Beat

> On 25 Mar 2015, at 17:11, Udi Knaani <udi@fwmk-law.co.il> wrote:
>
> Dear Beat,
> Following my last e-mail, Mr. Barak updated me that he agreed with Gary that he will get the 3.5% as options
> under the ESOP plan (capital route for a director). No agreement will be made.
> Can you confirm and arrange that the relevant information and documentation with respect to those options shall be send to me?
> Thank you and best regards,
> Udi
>
> נשלח מה-iPhone שלי
>
> ב-23 במרץ 2015, בשעה 19:19, Udi Knaani <Udi@fwmk-law.co.il> כתב/ה:
>
> Dear Beat,
> Without expressing any opinion on the percentage allocated to Mr. Barak (it is a commercial issue I will leave to him to comment), I would like to remind you that any agreement will bring Mr. Barak to a much bigger tax rate, therefore, we asked that Mr. Barak will get his options as a grant under section 102 (capital route) that shall be granted to him as a director in FST.
> I am sure that align interest will always be there without any agreement.

You should also be aware that in most ESOP shares, the voting rights are not granted to the beneficial holder so it is another reason to waive any agreement between us.
Needless to write that as long as Mr. Barak holds (indirectly via the ESOP plan) options - voting is not relevant at all.
I will be available to a phone call if any clarification is required.
I would like to use this opportunity to ask you to forward me any relevant document (cap table, agreement concerning Mr. Barak role as a director and the amount snd terms of the options that will be granted to him).
Thank you and best regards,
Udi

נשלח מה-iPhone שלי

ב-23 במרץ 2015, בשעה 18:45, Beat Ehrensberger <beat@gmfcapital.com> כתב/ה:

> Dear Udi,
>
> WITHOUT PREJUDICE / SUBJECT TO AGREEMENT
>
> I hope you returned well from Andorra.
>
> In terms of our planned investment, it seems the deal has been approved by the FST board along our proposal. We negotiated an additional 3.5% as per the ESOP program (with a downside on the valuation, of course). Now, Gary has suggested that Mr Barak simply takes the 3.5% ESOP options and GMF and Mr Barak enter into a shareholders' agreement in order to align the interests (unless Mr Barak and you have changed your mind and you prefer to put everything in one investment entity of which Mr Barak shall get a proportionate percentage - but I understand from our various email exchanges and calls that this is not Mr Barak's preference due to tax disadvantages).
>
> Please let me know if this simple structure would be acceptable for Mr Barak.
>
> Best regards,
>
> Beat Ehrensberger
>
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